

# HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.  
DAVID L. SMELLEY  
PAUL A. STRICKLAND  
GLENN L. LANGLEY  
LOUISE F. PEARCE  
T. ISSAC HOWELL  
MAGAN F. CAUSEY

(A PROFESSIONAL LAW CORPORATION)  
AMERICAN TOWER, SUITE 600  
401 MARKET STREET  
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS  
POST OFFICE BOX 59  
SHREVEPORT, LOUISIANA 71161-0059  
TELEPHONE (318) 429-7200  
TELECOPIER (318) 429-7201

May 3, 2007

OF COUNSEL  
WILLIAM G. CONLY

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Davis Sand of the Cotton Valley Formation; Bodcaw Sand, Reservoir A; Vaughn Sand, Reservoir A, of the Cotton Valley Formation; D Sand, Reservoir A; Cotton Valley Formation, Reservoir A; and Hosston Formation, Reservoir A; TREMONT FIELD, Lincoln Parish, Louisiana.

Dear Sir:

INDIGO MINERALS LLC ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Davis Sand of the Cotton Valley Formation; Bodcaw Sand, Reservoir A; Vaughn Sand, Reservoir A, of the Cotton Valley Formation; D Sand, Reservoir A; Cotton Valley Formation, Reservoir A; and Hosston Formation, Reservoir A; all in the TREMONT FIELD, Lincoln Parish, Louisiana.

Davis Sand of the Cotton Valley Formation;  
Bodcaw Sand, Reservoir A; Vaughn Sand,  
Reservoir A, of the Cotton Valley Formation;  
and D Sand, Reservoir A

1. To dissolve the unit shown on an attached plat and designated DAVIS SUL, created for the Davis Sand of the Cotton Valley Formation by Office of Conservation Order No. 594-A-3, effective March 18, 1975.
2. To dissolve the unit shown on an attached plat and designated BOD RA SUA, created for the Bodcaw Sand, Reservoir A, by Office of Conservation Order No. 594-B, effective March 18, 1975.

3. To dissolve the unit shown on an attached plat and designated VA RA SUA, created for the Vaughn Sand, Reservoir A, of the Cotton Valley Formation by Office of Conservation Order No. 594-D, effective July 15, 1975.

4. To dissolve the unit shown on an attached plat and designated D RA SUB, created for the D Sand, Reservoir A, by Office of Conservation Order No. 594-F-1, effective March 16, 2004.

The Davis Sand of the Cotton Valley Formation in the Tremont Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 594-A, effective June 1, 1971.

The Bodcaw Sand, Reservoir A, in the Tremont Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 594-B, effective March 18, 1975.

The Vaughn Sand, Reservoir A, of the Cotton Valley Formation in the Tremont Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 594-D, effective July 15, 1975.

The D Sand, Reservoir A, in the Tremont Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 594-F, effective May 1, 1984.

Hosston Formation,  
Reservoir A

1. To redefine the Hosston Formation, Reservoir A, in the Tremont Field, Lincoln Parish, Louisiana, insofar and only insofar as to the existing unit designated HOSS RA SUA (which is identical to the proposed unit designated CV RA SUD), created by Office of Conservation Order No. 594-C, effective July 15, 1975, as being that gas and condensate bearing interval encountered between the depths of 5,640 feet and 8,670 feet (electric log measurements) in the Pogo Producing Co. (formerly Conquest)--Norris No. 1 Well, located in Section 15, Township 18 North, Range 1 West, Lincoln Parish, Louisiana.

2. To confirm the unit designated HOSS RA SUA as remaining in full force and effect for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, as proposed to be redefined herein.

3. To consider such other matters as may be pertinent to the Hosston Formation, Reservoir A.

The Hosston Formation, Reservoir A, in the Tremont Field, Lincoln Parish, Louisiana, is currently defined in Office of Conservation Order No. 594-C, effective July 15, 1975.

Cotton Valley Formation, Reservoir A

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SUD.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Applicant as operator of, and its proposed Morgan 14 No. 1 Well, located as shown on an attached plat, as the unit well for, the proposed unit.
4. To permit applicant to combine downhole production from CV RA SUD and from HOSS RA SUA in any well drilled on these units in which the interests of the parties in these units are identical.
5. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 594-L, effective February 1, 2006, as amended and supplemented by the Order No. 594-L series of Orders, and of all applicable Statewide Orders, to the proposed additional unit.
6. To consider such other matters as may be pertinent to the Cotton Valley Formation, Reservoir A.

The Cotton Valley Formation, Reservoir A, in the Tremont Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 594-L, effective February 1, 2006.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Craig C. Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person wishing to inspect any such data should call Mr. Barclay at (318) 869-2223 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated April 20, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set

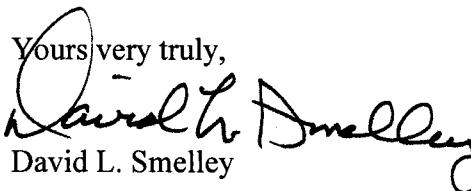
Honorable James H. Welsh  
May 3, 2007  
Page 4

May 11, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and the unit proposed to be created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Tremont Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,  
  
David L. Smelley

--- Attorney for Indigo Minerals LLC

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Brad Rome (w/encls.)  
Mr. Craig C. Barclay (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)

R 1 W

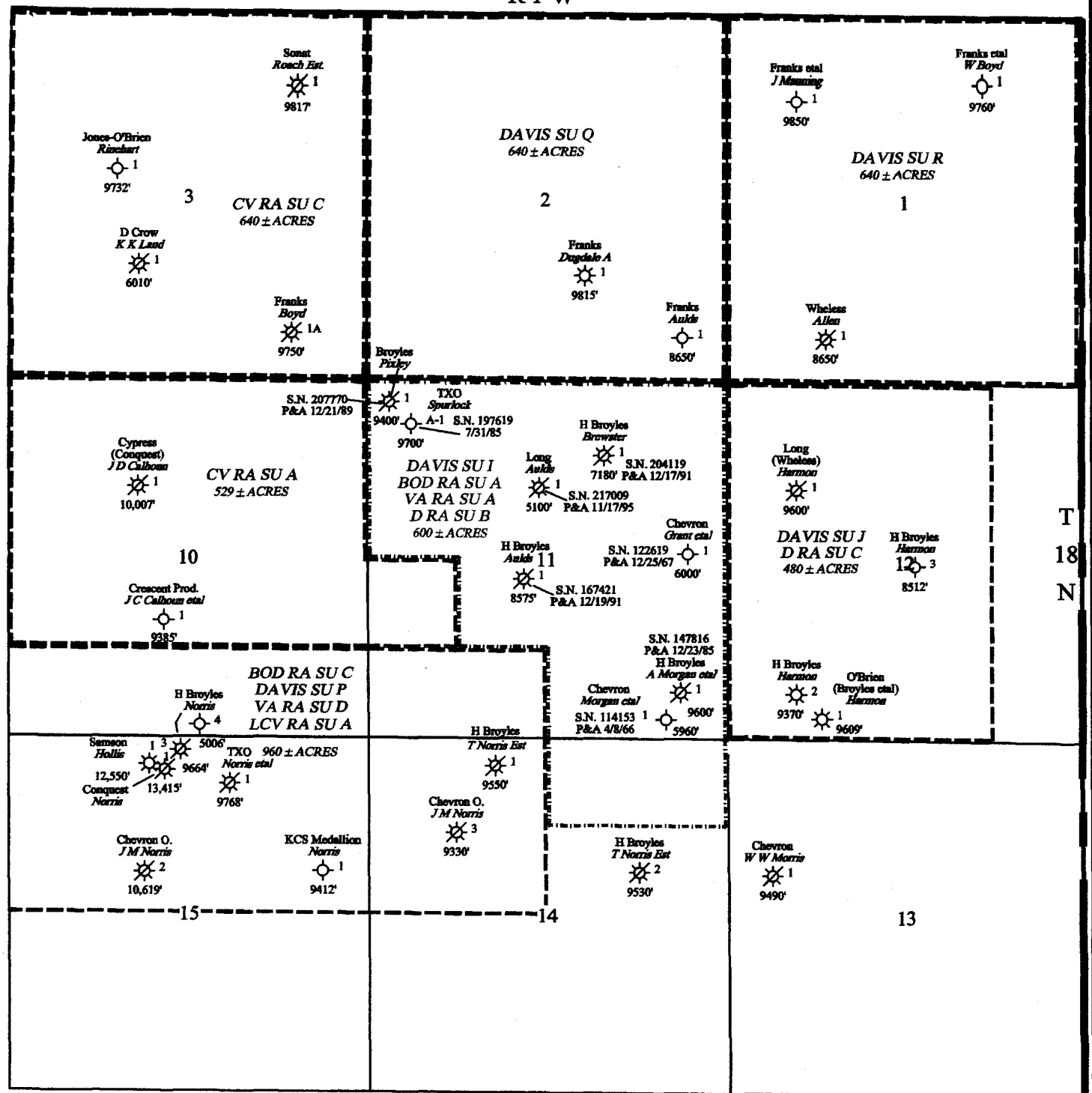


EXHIBIT NO. 1

DOCKET NO.

# INDIGO MINERALS LLC

HOUSTON, TEXAS

## TREMONT FIELD

LINCOLN PARISH, LOUISIANA

PROPOSED DISSOLUTION OF DAVIS SAND UNIT I, BODCAW RESERVOIR A SAND UNIT A,  
VAUGHN RESERVOIR A SAND UNIT A AND D RESERVOIR A SAND UNIT B

----- :PROPOSED SAND UNITS TO BE DISSOLVED.      - - - - - :EXISTING SAND UNITS



NOTE: SHALLOW WELLS NOT SHOWN.

[illegible]

DOCKET NO.

**NOTE: SHALLOW WELLS NOT SHOWN.**